GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:1915
ANSWERED ON:30.11.2000
MODERNISATION OF N.T.C. B.I.C. .
SHIVRAJ SINGH CHOUHAN

Will the Minister of TEXTILES be pleased to state:

(a) whether the Government have approved a turn-around strategy for the National Textile Corporation Limited and British India Corporation Limited;

(b) if so, the details thereof;

(c) the extent to which it is likely to be helpful to NTC and BIC;

(d) the funds provided for the modernization of the said corporations during each of the last three years and the current year and the achievements, made so far, corporation-wise;

(e) whether the Government had approved the allocation of funds for the modernization of units under these corporations during the Eight Plan; and

(f) If so, the details thereof?

Answer

MINISTER OF STATE FOR TEXTILES

(SHRI V. DHANANJAYA KUMAR)
(a) to (c): The Government has approved the following broad approach for all the mills of the eight sick subsidiaries of NTC:-

i) There will be a unit by unit assessment to decide whether a unit is revivable or non-revivable;

ii) All revivable units will be revived;

iii) Non-revivable units will be closed and attractive VRS option(s) will be made available to the employees.

NTC have made necessary submission before BIFR on the above lines.
As regards the British India Corporation Ltd (woollen mills), Government have decided to request the Hon`ble High Court of Allahabad to refer the case to BIFR for revival.

(d): Funds could not be released for modernisation. However, the following amounts were released to NTC and BIC as non-plan loans:

(In Rupees Cr)

YEAR	NTC	BIC
1997-98	499.64	20.30
1998-99	408.00	25.30
1999-2000	494.00	26.20
Total	1401.64	71.80

Since most of the mills are running in losses, the amount released was used for meeting the shortfall in salaries and wages.
(e)&)f): Government had approved a Plan allocation of Rs. 88.96 Crfor NTC during 8th Plan period as its contribution for a modernisation package led by Financial institutions. The allocated amount however, could not be released, as Financial Institutions did not come forward for financing these losing concerns.